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January 9, 2003

BY HAND DELIVERY

Mr. Sanford Speight, Acting Secretary
Public Service Commission
of the District of Columbia
1333 H Street, NW
Suite 200, West Tower
Washington, DC 20005

Re: Formal Case No. 1011 & Formal Case No. 962

Dear Mr. Speight:

Nothing in Verizon's January 7, 2003 "Response in Compliance With Order No. 12626" cures the problems with its unilateral rate changes. Indeed, in a very real way Verizon's filing only makes the problems worse.

For starters, Verizon's filing confirms that Verizon intends to provide CLECs in the District with UNE rates that are markedly higher than those the Commission approved in Order No. 12610. It also confirms that Verizon intends to make those rates available immediately, even though the Commission has made it very clear those rates are not approved. And while Verizon has now agreed that it will graciously provide the Commission with "an opportunity to approve any rate changes in the interim" while the Commission-approved rates have been stayed, the fact remains that Verizon is implementing UNE rates *it* selected on a schedule *it* determined, and that the Commission, under Verizon's view of the world, will have no say in the process until after the fact. That is not what District law requires.

And while those problems, by themselves, are serious enough to warrant Commission reprimand, the manner in which Verizon intends to implement the pricing changes make matters even worse. Rather than follow District law, Commission procedures and decades of precedent regarding the manner in which rates are revised – *i.e.*, notice to the parties, an opportunity for comment and hearing, and an Order from the Commission – Verizon has invented a new procedure whereby unwary CLECs could find themselves unwittingly endorsing Verizon's unilateral rate proposal. Under Verizon's newly-invented approach, it intends to post a notice on its web site informing CLECs that these new rates will now automatically appear on the CLECs' bills. Nothing in the notice

informs the CLEC that it has an opportunity to challenge Verizon's unilateral rate action before the Public Service Commission, as the law and Commission rules require. Rather, the notice only invites disgruntled CLECs to "contact your Verizon account manager."

Moreover, Verizon's new procedure provides the CLECs with a negative option to challenge the rates. Any CLEC which is confused by Verizon's notice or, as is more likely, misses it entirely, and which receives and pays a bill reflecting the new rates has, under Verizon's self-serving approach, "signif[ied its] acceptance of these rates and will result in them being incorporated into your interconnection agreement . . . "Thus, if a CLEC misses or misunderstands Verizon's notice and fails to catch the rate change when the bills arrive, then by doing nothing at all it will have unwittingly consented to Verizon's unilateral rate change. That is hardly the manner in which District law intends for rate changes to be made.

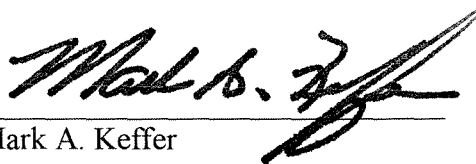
Finally, and more to the point, Verizon's unilaterally-selected and excessive UNE rates are of no benefit to the CLECs. For the most part, the rates are not substantially lower than the interim rates in effect today, so do not provide CLECs with much of a reduction. Beyond that, the fact that Verizon's "voluntary" rates are so unstable effectively freezes any pending plans that CLECs, such as AT&T, are developing to enter the District's residential local exchange market. Thus, rather than benefiting CLECs, Verizon's unilaterally-devised rates only delay their entry. This, of course, hurts not only the CLECs, but also the District consumers who can benefit from their services.

AT&T renews its request that the Commission give Verizon a choice – either implement UNE rates approved by the Commission in Order No. 12610, or else withdraw its 271 application until UNE pricing issues are resolved.

Respectfully submitted,

AT&T COMMUNICATIONS
OF WASHINGTON, D.C., LLC

By Its Attorneys

A handwritten signature in black ink, appearing to read "Mark A. Keffer", written over a horizontal line.

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cc: All parties of record in
Formal Case Nos. 1011 & 962

Certificate of Service
Formal Case No. 1011

I hereby certify that a copy of AT&T Communications of the Washington, DC L.L.C.'s letter in response to Verizon's Response in Compliance with Order No. 12626 was mailed first-class U.S. Mail, postage prepaid, or overnight delivery to the following parties this 9th day of January 2003.

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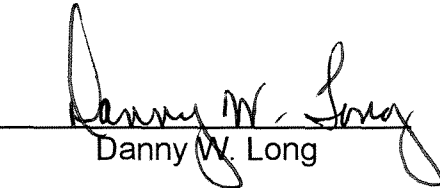
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